Stagnation in U.P. Stock Exchange

† 1444. SHRIJANESHWAR MISHRA: Will the Minlser of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that the Uttar Pradesh stock exchange is existence in danger due to shortcomings and stagnation;

(b) if so, the details thereof;

(c) whether Government would make any concrete scheme to remove the shortcomings in the exchange and to make it attractive for capital investment; and

(d) if so, by when?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANT GANGARAM GEETE): (a) and (b) The Securities and Exchange Board of India (SEBI) has intimated that SEBI has observed deficiencies in the functioning of Uttar Pradesh Stock Excange (UPSE) based on correspondence received from the public representatives on the Board of UPSE; then Nominee Director of SEBI on the Board of UPSE, then Executive Director of UPSE; observations made inspection report of UPSE conducted by SEBI; compliance reports and monthly development report submitted by UPSE. Some of the major irregularities are given below.

(i) Governing Board of UPSE had failed to ensure proper govemnance and implementation and compliance with SEBI Directives.

(ii) There was interference from the elected Directors and brockers in the day-to-day functioning of UPSE, making it difficult for the exchange to function as required by the byelaws of the exchange and SEBI directives.

(iii) There had been an undue delay in taking up the inspection report for the year 2001 -02 for consideration by the Governing Board.

(iv) The meetings of the Board of Directors were not conducted as per rules and byelaws.

(v) The Board of UPSE appointed the Executive Director without the prior approval of SEBI and had not made him quite despite serveral communications both verbal and written with SEBI.

† Original notice of the question was received in Hindi.

(vi) the President and vice-President of UPSE, who were brokers did not resign from their posts despite clear directives of SEBI.

(c) to (d) Given the irregularities mentioned above, SEBI exercised the power conferred to it under Securities Contracts (Regulation) Act, 1956 and the SEBI Act, 1992, and superseded the Board of Uttar Pradesh Stock Exchange for a period of one year with effect for July 12, 2002.

Shri M. N. Sabharwal, IPS (Retd.) has been appointed as an administrator to exercise and perform all the powers and duties of the Governing Board.

Pre-trial disposal of seized drugs

1445. SHRI RAMACHANDRA KHUNTIA: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) the total quantity of seized narcotic drugs lying in the godowns of Narcotics Control Bureau, drug-wise;

(b) whether the concerned Act pride for pre-trial disposal of seized drugs;

(c) if so, the reasons for dely in getting mandatory court approval for early disposal of seized drugs; and

(d) the fresh steps taken to dispose off entire quantity of seized durgs lying in godowns at present?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN): (a) The details of the total quantity of narcotic drugs lying in the godowns of the Narcotics Control Bureau are given in the enclosed Statements (See below).

(b) Section 52Aof the Narcotic Drugs and Psychotropic Substances Act, 1985 provides for pre-trial disposal of narcotic drugs.

(c) and (d) After completion of the on-going review by the Narcotics Control Bureau of all the drugs lying in its godowns, pre-trial disposaj of the drugs can be undertaken with the permission of the courts concerned.